

## **Introduction (to Forest Management topic section)**

### Goals

The Workgroup has the following goals in making recommendations for forest management:

- Allow forest landowners an opportunity to participate in carbon offset compliance markets, so as to help provide innovation and efficiencies in achieving the objectives of cap-and-trade systems.
- Help achieve Washington State's overall greenhouse gas emission reduction goals, by encouraging the retention over time of carbon currently stored on forest land, which might be at risk of reduction or loss. (The state's current greenhouse gas inventory and projection assumes current levels of annual carbon sequestration will continue into the future.)
- Provide broad recognition of current contributions to climate change mitigation by multiple types of forest landowners and encourage landowners to maintain and increase those contributions over time.

The recommendations in this section attempt to meet all these goals, resolving the issues arising from the need to meet the standard principles for offsets in regional, national, and international compliance markets – that they be real, additional to what would occur without the offset payment, verifiable, permanent, and enforceable – while at the same time incentivizing current but potentially at-risk levels of forest carbon storage in Washington. These recommendations also respond to the Washington legislature's direction that recommendations not disadvantage Washington in relation to other states

### General Approach

The Workgroup has reached consensus on a carefully linked, dual approach to forest management which includes a traditional offset approach and also a complementary, non-offset program, described below, that provides incentives for Washington State forest landowners who are willing to make commitments to maintaining or increasing current eligible levels of carbon storage on their forests. This complementary program may be particularly important for forest landowners who currently have above-average levels of carbon stored on their forests, and wish to participate in meeting the state's greenhouse gas emission reduction goals.

This dual approach attempts to provide the correct incentives to forest landowners, avoid double-counting of carbon, and allow adequate flexibility to achieve the goals.

### Relation to Other Project Categories

The Workgroup sees the Forest Management project category as complementing the offset opportunities described in the Avoided Conversion and Urban Reforestation project categories.

For Avoided Conversion, the business-as-usual baseline presumes some level of development which converts forest land to non-forest uses. The objective of the recommended on-site cluster and transfer-of-development-rights recommendations is to maintain more forest area than in the baseline conditions. No assumptions are made about the specific management of areas of forest retained by such projects (and thus serving as offsets), once development is accommodated on a smaller footprint. Because all Washington State forests store more carbon than non-forests, ongoing forest management could pursue a range of objectives from pure conservation to sustainable management by industrial owners. This Forest Management project category goes further and allows additional offset opportunities for managed forest lands for targeted carbon storage, whether or not the area is at high risk of conversion and whether or not an avoided conversion offset has been sold from the project area.

The Workgroup recognizes a range of views on the conversion threat to commercial forest areas not immediately slated for development. However, one Workgroup goal is to increase overall predictability of forest lands remaining in forest uses and continuing to store carbon.

The Urban Reforestation project category is distinct from the Forest Management category.

Reforestation in previously forested areas outside urban areas could also occur, although the Workgroup believes opportunities are limited in Washington State. Since protocols already exist in other jurisdictions for reforestation, the Workgroup didn't spend time on this category.

#### Other Principles

These recommendations for forest management offset projects are built on the concept of all-pool carbon accounting, with measurement required for all pools expected to be significantly affected by the project, including in-forest pools and harvested wood products pools. Details are provided below.

Projects may involve diverse strategies, recognizing diverse landowner objectives, as to which pools to target for increased carbon storage, and how, without depleting other pools over time. These strategies, for example, may include but not be limited to longer rotations or more active management. Each project type or project will need to meet applicable design criteria.

The workgroup acknowledges that these recommendations are examples of a new approach which many jurisdictions are interested in developing, and that limited existing examples are available.